

## Legal Requirements

### 1. What are the Foreign Trade Statistics Regulations (FTSR)?

The FTSR (15 CFR, Part 30, Sections 30.1-30.99) contain the legal definitions and requirements for an SED, including information relating to the who, what, where, how, and when of the exportation.

### 2. What is the SED, and why must I fill it out? (30.1)

The SED is a Commerce Department form that is required by law (Chapter 9, Title 13, United States Code) and regulation (Title 15, Code of Federal Regulations, Part 30) to enable the Census Bureau to compile the official U.S. export statistics and the Bureau of Export Administration (Commerce), the U.S. Customs Service, the Department of State, and other U.S. Government agencies to enforce U.S. laws relating to exporting.

### 3. Are there any other regulations of which I should be aware?

In addition to the FTSR, exporters (U.S. principal parties in interest) should be aware of the Export Administration Regulations (EAR-15 CFR, Parts 730-774), the International Traffic in Arms Regulations (ITA-22 CFR, Parts 121-130), the Drug Enforcement Administration (DEA) export requirements (21 CFR, Part 1313), and U.S. Customs Regulations (19 CFR).

### 4. I know that SEDs are required for shipments to foreign countries (see exemptions). Are they required for any other destinations? (30.1)

Yes. SEDs are required for shipments between the United States and Puerto Rico as well as from the United States and Puerto Rico to the Virgin Islands of the United States.

### 5. What is a shipment? (30.6)

A shipment is all merchandise being sent from one exporter (U.S. principal party in interest) to one consignee in a single country of destination on a single carrier. A single carrier is an individual vessel, plane, truck, or rail car, not a steamship line or airline. For overland exports, the Customs Director may accept a single declaration for multiple car shipments moving under a single bill of lading and cleared simultaneously.

### 6. Does Automated Export System (AES) change the definition of a shipment?

No. However, each shipment must be identified by a unique reference number assigned by the AES filer. The reference number must be unique for 5 years from the date of exportation.

### 7. Do I have to fill out separate SEDs for each box or invoice included in my shipment?

No. A single SED is all that is required for the entire shipment. Exporters participating in AES have the option of providing information at the invoice or shipment level.

### 8. Some of my shipment requires a validated export license, while other items do not. Do I have to file separate SEDs? (30.6)

It is permissible to report both general and validated Commerce Department licensed merchandise on the same SED. Furthermore, you may report more than one validated or general license on a single SED. To avoid confusion, goods licensed by other U.S. agencies, such as the State Department, should be reported on a separate SED from goods licensed by the Commerce Department or general licensed goods.

### 9. Are there any special requirements relating to exports under a validated export license? (30.7)

The validated export license, the SED, and the outbound bill of lading must be consistent with one another. This requirement does not apply to a routed transaction where the name of the U.S. principal party in interest on the SED, for statistical purposes, may be different from the name of the applicant on the export license under the EAR.

**10. Where can I find out if I need a validated export license?**

By calling:  
Bureau of Export Administration  
U.S. Department of Commerce  
Eastern U.S., 202-482-4811;  
Western U.S., 949-660-0144;  
Office of Defense Trade Controls  
U.S. State Department  
703-875-6644

**11. Is an SED required for hand-carried merchandise?**

Yes, unless the merchandise is owned by the individual that is taking it out of the country and not for consumption in a foreign country. Material that is for export and consumption in a foreign country must be reported on an SED. (For "Tools of the Trade" see page 6, question 16.)

**12. Is there an official SED form? Why? (30.3)**

Yes. Information must be reported in a standard format based on standard definitions, because the Census Bureau processes approximately one-half million paper SEDs monthly.

**13. What are the official SEDs?**

Commerce Form 7525-V: The vertically arranged SED is designed to be prepared along with a set of similarly oriented forms such as air waybills and shipper's letter of instruction.

Automated Export System (AES): An export information gathering and processing system that provides an alternative to filing the paper SED and manifest data. Export information is collected electronically and edited immediately, and errors are detected and corrected at the time of filing.

*AESDirect*. The U.S. Census Bureau's free Internet-based system for the filing of SED information to AES. The Web site is [www.aesdirect.gov](http://www.aesdirect.gov).

**14. I export a wide variety of goods and need more space than is provided on Form 7525-V. What should I do?**

Continuation sheets are available. You may also use additional copies of the SED. Each continuation sheet shall be numbered and contain information as to the port of export and the country of ultimate destination.

**15. Where can I get the SED and continuation sheets? [30.3(b)]**

Form 7525-V and its continuation sheets may be purchased from:

U.S. Government Printing Office (GPO)  
Washington, DC 20402  
phone: 202-512-1800, or they may be privately printed.

Sample forms may be obtained from:

Foreign Trade Division  
U.S. Census Bureau  
Washington, DC 20233.  
phone: 301-457-2238

**16. How many copies of the SED are required? (30.5)**

One for shipments to Puerto Rico, the Virgin Islands of the United States, and if required, to Canada.

One for shipments to any destination through the U.S. Postal Service.

Two copies to all other destinations.

**17. Can I submit photocopies of SEDs?**

No. Only official forms can be submitted to the government.

**18. Since I want to print my own forms, are there any special requirements? [30.3(b)]**

Yes. Privately printed forms must conform to the official form in every way. This includes size, wording, color, weight of paper stock (16- to 20-lb commercial substance), and arrangement, including the Office of Management and Budget Approval Number in the upper right hand corner.

**19. I want to purchase my forms from a private printer. Are there any special requirements?**

Yes. See 18 above. Note: While the GPO sells forms in pads of 100, private printers can provide multipart sets of documents.

**20. Can I prepare my SED on continuous-feed computer paper?**

Yes, as long as it conforms to the official form.

**21. Do goods exported from a Foreign Trade Zone to a foreign country require an SED?**

Yes, if the goods are valued over \$2,500 per Schedule B number or if a license is required.

**22. Do goods exported from a bonded warehouse to a foreign country require an SED?**

Yes, if the goods are valued over \$2,500 per Schedule B number or if a license is required.

**23. What are the Export Information Codes required by AES?**

These are codes used by AES to distinguish between shipments requiring complete information from those requiring either limited or no information. Also, AES will allow exporters (U.S. principal parties in interest) the option of reporting shipments for which an SED is not required. For a list of Export Information Codes with detailed information relating to these requirement, call the Foreign Trade Division, Systems and Coordination Branch, phone: 1-800-549-0595.

**Exemptions to SED Requirements (30.50-30.58)**

**1. IMPORTANT!-EXEMPTIONS DO NOT APPLY TO SHIPMENTS SUBJECT TO:**

- (a) Validated export license.
- (b) The International Traffic in Arms Regulations (ITAR), whether or not a license is required.
- (c) The Drug Enforcement Administration export declaration requirements.
- (d) Or destined to any of the following countries regardless of license requirements: Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria.

**2. Is there an exemption for shipments to Canada? (30.58)**

Yes. However, shipments destined to third countries passing through Canada are not exempt. Note: AES will not cover shipments destined to Canada.

**3. Why is there an exemption for shipments to Canada?**

Under the terms of a Memorandum of Understanding signed by the U.S. Census Bureau, U.S. Customs Service, Statistics Canada, and Canadian Customs, each country substitutes the other's import data as their export data.

**4. I am shipping my goods from the United States to France via Montreal, Canada. Does the exemption for shipments to Canada apply?**

No. The exemption only applies to goods destined to Canada.

**5. What about shipments destined to U.S. possessions?**

SEDs are not required for ship-ments to any U.S. possession other than Puerto Rico and the Virgin Islands of the United States.

**6. Are the former Pacific Trust Territories exempt as U.S. possessions?**

No. The former Pacific Trust Territories (Marshall Islands, Federated States of Micronesia, and Palau) are not possessions and are, therefore, treated as foreign countries subject to SED requirements.

**7. Why are SEDs required for shipments to some possessions and not others?**

At one time, SEDs were required for shipments to all possessions. Some of the possessions developed their own programs, and the SED was no longer needed.

**8. I am shipping to the U.S. armed services. Is an SED required? (30.52)**

No. Shipments consigned to the U.S. armed services are exempt.

**9. I am shipping to a contractor located on a U.S. military base in a foreign country. Are my shipments also exempt?**

No. Shipments consigned to contractors are not exempt. The “armed services” exemption is strictly limited to shipments consigned to the U.S. armed services for their exclusive use.

**10. Is an SED required for shipments to the armed services exchange systems?**

No. The exchange systems are considered part of the armed services.

**11. Are shipments to other U.S. agencies located in foreign countries exempt?**

Only shipments of office supplies, household effects, and commissary items to and for U.S. Government agencies and employees are exempt. Government shipments to libraries and similar institutions are also exempt.

**12. Are shipments of personal and household effects of nongovernment individuals exempt from SED requirements? (30.56)**

They are exempt only when **not** moving as cargo under a bill of lading. Note: An SED is required when such effects are moving as cargo under a bill of lading, regardless of value; however, it is not necessary to report each item by individual Schedule B number.

**13. Is there an exemption for exhibition materials that will be returned to the United States?**

No. There is no exemption for any temporary (less than 1 year) export. A statement that “this is a temporary export” should appear on the SED as part of the description.

**14. What is a “Carnet?”**

A Carnet is an international customs document used for temporary (less than 1 year) duty-free exports. It is currently honored in 75 countries. Items entered under Carnet are not to be sold. For more information, contact the U.S. Council of International Business, phone: 1-800-538-8937.

**15. Is there an exemption for merchandise moving under a Carnet?**

No. There is no exemption for any temporary (less than 1 year) export. A statement that “this is a temporary export” should appear on the SED as part of the description.

**16. What are tools of the trade?**

Tools of the trade are commodities and software that are:

- (a) Owned by the individual exporter (U.S. principal party in interest) or exporting company.
- (b) Accompanying the individual exporter (U.S. principal party in interest), employee, or representative of the exporting company.
- (c) Necessary and appropriate and intended for the personal and/or business use of the individual exporter (U.S. principal party in interest), employee, or representative of the company or business.
- (d) Not for sale.
- (e) Returned to the United States no later than 1 year from the date of export.

**17. Is there an exemption for tools of the trade? (30.56)**

Yes, as long as you do not need a validated license.

**Low Value (\$2,500) Exemption: [30.55(h)]**

**1. My shipment is valued at \$20 but requires a validated export license. Does the low value exemption apply?**

No. See page 4 for shipments that are not subject to this exemption because of license requirements or destination. Additionally, this exemption does not apply to shipments through the U.S. Postal Service.

**2. My entire shipment is valued at \$2,500 or less. Is an SED required?**

No. However, you must include one of the following statements on your bill of lading, air waybill, or other loading document you provide to the carrier:

*“No SED Required—Section 30.55(h) FTSR.” or,*

*“No SED Required—Valued \$2,500 or Less.”*

**3. My shipment is valued over \$2,500 but is made up of various commodities falling under several Schedule B numbers, none of which is valued at \$2,501 or higher. Must I prepare an SED?**

No. However you must include the following statement on your bill of lading, air waybill, or other loading document you provide to the carrier:

*“No SED Required—No Individual Schedule B Number Valued \$2,501 or Higher”*

**4. My shipment is mixed. The value of some Schedule B commodity numbers are valued over \$2,500, while other Schedule B commodity numbers are not. How should I report?**

Report only those Schedule B commodity numbers valued over \$2,500 on the SED. However, you must include the following statement on your SED in addition to your bill of lading, air waybill, or other loading document you provide to the carrier:

*“Remainder of Shipment Valued \$2,500 or Less per Individual Schedule B Number.”*

**5. I am returning merchandise after importation for repairs or alterations for which the value of such repairs is \$2,500 or less. Is an SED required?**

No. However, you must include the following statement on your bill of lading, air waybill, or other loading document you provide to the carrier:

*“No SED Required—Value of Repairs \$2,500 or Less.”*

**6. What is the exemption for postal shipments?**

The exemption for mail exports is treated the same as all other exports. A postal shipment valued at \$2,500 or less per Schedule B

number does not require an SED.

**7. My shipment is exempt from SED requirements; however, I prepare all my documents at one time as part of my "Shipper's Letter of Instruction (SLI)." What should I do?**

Prepare your documents as you normally do. **Include the Proper Exemption Statement.** Remove all SEDs contained in the package. Maintain one copy for your files and destroy all other copies.

**8. How will AES deal with shipments valued \$2,500 or less?**

Exporters (U.S. principal parties in interest) will not be required to report shipments or individual Schedule B numbers within a shipment where the value does not exceed \$2,500 to AES. However, exporters (U.S. principal parties in interest), at their option, may report such information.

## **Parties to Exportation**

**1. Who is responsible for completing the SED? (30.4)**

The exporter (U.S. principal party in interest) or its authorized agent is responsible. In the case of a routed transaction, the freight forwarder hired by a foreign company is responsible for completing the SED.

**2. Who is the exporter (U.S. principal party in interest)? [30.7(d)]**

For purposes of completing the SED, the exporter (U.S. principal party in interest) is the U.S. seller or U.S. principal party in interest in the export transaction. The U.S. principal party in interest is the person in the United States that receives the primary benefit, monetary or otherwise, of the transaction.

**The U.S. principal party in interest can be the:**

- (a) U.S. manufacturer (if seller of the merchandise for export).
- (b) U.S. seller (wholesaler/distributor selling merchandise for export).
- (c) U.S. order party (U.S. party who negotiated with the foreign buyer and received the order to sell the merchandise).
- (d) Foreign person/entity (if in the United States when purchasing or obtaining the items for export, the foreign person or entity must use a U.S. address).

**3. Can a foreign company be reported as the U.S. principal party in interest?**

No. The U.S. principal party in interest must be under U.S. jurisdiction at the time of exportation. Therefore, if a freight forwarder is working on behalf of a foreign company not under U.S. jurisdiction at the time of export, the U.S. seller or principal party in interest must be listed as the U.S. principal party in interest on the SED.

**4. Who is the U.S. principal party in interest if a foreign national comes to the United States and purchases goods for export?**

If the person is in the United States at the time the goods are purchased or obtained for exportation, then he or she is the exporter (U.S. principal party in interest). The address could be a hotel, etc. If the foreign national leaves the United States prior to exportation, then he or she can authorize a U.S. agent to complete the SED. The foreign national is listed as the U.S. principal party in interest.

**5. What is the Exporter (U.S. principal party in interest) Identification Number (EIN), and where do I get it? [30.7(d)(2)]**

This is the same number the exporter reports on the Employer's Quarterly Federal Tax Return, Treasury Form 941. The accounting department should provide this number. Individuals who do not have an EIN should report their Social Security Number (SSN). AES will provide exporters (U.S. principal parties in interest) the option of using their Dun and Bradstreet number (DUNS) as their identifier. However, AES will also require that the EIN or SSN be on file. Note: A foreign national operating under the conditions of No. 4 above may use the DUNS number, border crossing number, passport number, or any other assigned by U.S. Customs.

**6. Why does AES want to use**

### **my DUNS number?**

The DUNS number is verifiable through Dun & Bradstreet, while the IRS will not verify the EIN.

### **7. Will I report my name and address every time I report to AES?**

No. You establish a profile consisting of an Identification Number (ID-DUNS or IRS), name, address, contact person, phone number, and IRS number (if it is not the ID) with your first transmission. In subsequent transmissions, only the ID is required unless the profile information changed.

### **8. Do you share information about my exports with the Internal Revenue Service?**

No. The Census Bureau uses this number internally for quality control purposes only.

### **9. What does a freight forwarder do?**

The freight forwarder performs services that facilitate the export of the goods. This includes arrangements for the transportation and delivery. To prepare SEDs for shipments to foreign countries, the forwarder must have a power of attorney or written authorization from a principal party in interest, or the U.S. principal party in interest must sign the authorization on the paper SED.

### **10. Why must a freight forwarder have a power of attorney or written authorization?**

This is the only proof that the forwarder is authorized to prepare SEDs for the principal party in interest.

### **11. Who can become a freight forwarder?**

Anyone can be designated by a principal party in interest. If they are regularly engaged in the freight forwarding business and handle shipments moving by vessel, they must be licensed by the Federal Maritime Commission. No license is required for air or overland forwarders, nor is any required for a company to handle its own shipments by vessel.

### **12. My freight forwarder will not give me copies of the SEDs they prepare for us. Is this legal? (30.4)**

No. The forwarder is required to provide the U.S. principal party in interest with a copy of the export information filed in the form of a completed SED, an electronic facsimile, or any other manner prescribed by the U.S. principal party in interest.

### **13. What is a related party transaction? [30.7 (v)]**

A related party transaction involves trade between affiliated companies in which one person or business exercises a 10 percent interest in both the exporter (U.S. principal party in interest) and ultimate consignee. Shipments to independent distributors are considered nonrelated, unless there is 10 percent control.

### **14. Who is the ultimate consignee? [30.7(f)]**

The ultimate consignee is the party actually receiving the merchandise. The city and country are only needed for the address. If a validated export license is required, the ultimate consignee must be the same as designated on the license.

### **15. Who is the intermediate consignee? [30.7(g)]**

The intermediate consignee is the party in a foreign country who receives and then delivers the merchandise to the ultimate consignee. The city and country are only needed for the address. If a validated export license is required, the intermediate consignee must be the same as designated on the license.

## **Transportation**

### **1. What is the point or state of origin? [30.7 (t)]**

The point or state of origin is the state in which the merchandise actually starts its journey to the port of export, or if multiple commodities are reported, the state of the commodity of the greatest value, or the

state of consolidation.

**2. How should the state of origin be reported?**

Report only the two-character U.S. Postal Service state or U.S. territory abbreviation. If the merchandise begins its journey in a Foreign Trade Zone (FTZ), report the FTZ number. In AES, report both the state of origin and the FTZ number. Do not report: Various, USA, Multi, Foreign, or the name of a foreign country.

**3. Where can I find information about the items on the SED pertaining to loading pier, exporting carrier, and port of unloading as they relate to the transportation of my merchandise?**

If you do not know, ask your forwarder or carrier to either provide you with this information or to fill it in for you.

**4. What is the date of exportation? [30.7(r)]**

The date the merchandise leaves the United States. In the case of shipments from the United States to Puerto Rico, the date of arrival in Puerto Rico is reported in lieu of the date of exportation.

**5. What is the transportation reference number?**

This is the number assigned to the shipment by the exporting carrier or consolidator.

**6. What is the method of transportation? [30.7(b)]**

The method of transportation is the means of transportation by which the merchandise is exported from the United States. That is, vessel (ship), air, truck, rail, etc.

**7. I just bought an airplane that I am flying out of the United States. What is the mode of transport?**

Report "own power" for vessels, aircraft, or other vehicles so exported. AES will treat these shipments as "air."

**8. I am shipping my goods to Montreal, Canada by truck (or rail) for loading on an airplane destined to Germany. What is the mode of transport?**

Report the mode by which the goods leave the United States.  
In this case, report truck or rail as appropriate.

**9. I ship through a "nonvessel operating common carrier" (NVOCC) to obtain better freight rates. Can they file a single SED, combining my goods with those of other companies?**

No. An SED, in the name of each exporter, is required for each shipment. NVOCCs are generally not freight forwarders and, therefore, are not a "responsible" party in the exportation. However, under AES, NVOCCs will be re-reporting transportation information for the shipments they handle.

**10. Who is the exporting carrier? [30.7(c)]**

The carrier that transports the merchandise out of the United States is the exporting carrier. This may not be the carrier that transports the merchandise to the port of exportation.

**11. How do I report the exporting carrier?**

Report by specific name of a vessel or the name of the airline, railroad, or trucking company as applicable.

**12. What entry is made for the loading pier?**

The number or name of the pier at which the merchandise is laden aboard the exporting vessel. This is required for vessel shipments only. This item is not reported in AES.

**13. What is the port of exportation? [30.20(c)]**

It is the U.S. Customs seaport or airport where the merchandise is loaded on the exporting carrier or the U.S. Customs port where exports by overland transportation cross the U.S. border into foreign territory.

**14. My goods are loaded on a ship in Baltimore. The ship then stops in Norfolk and Charleston prior to departure for Europe. What is the port of exportation?**

Baltimore. This is where the goods were loaded on the exporting carrier.

**15. My goods are loaded on a ship in Jacksonville and shipped to San Juan where they are reloaded onto another ship for delivery to the Dominican Republic. What is the port of exportation?**

San Juan. This is where the goods are loaded on the exporting carrier.

**16. My goods are loaded on a plane in Atlanta and flown to Miami where they are loaded on another plane for shipment to Peru. What is the port of exportation?**

Miami. This is where the goods were loaded on the exporting carrier. Miami is the port of exportation, even if the second aircraft belongs to the same airline.

**17. What is the foreign port of unloading? [30.7(h)]**

It is the city and country where the merchandise is removed from the exporting carrier. It does not have to be located in the country of destination. This is required for exports by vessel and air only.

**18. What is a containerized shipment? [30.7(u)]**

A containerized shipment is one transported in any van-type container, including cargo placed in such containers by the vessel operator. If the carrier places the merchandise into a container, the carrier should correct the SED.

**19. What is the country of ultimate destination? [30.7(i)]**

It is the country where the goods are to be consumed, further processed, or further manufactured. If a validated export license is required, the country of ultimate destination must be the same one as designated on the license.

**20. I ship to a distributor in France who sells and ships these goods all over Europe. What is the country of ultimate destination?**

France. This is the last known destination at the time of exportation. If you ship directly to your distributor's customer in Germany, report Germany.

### **Examples-Transportation Information**

#### **Case 1.**

A container of merchandise is transported by truck to New York for loading on a vessel at Pier 56 for destination France via Rotterdam.

*Mode of Transport:* Vessel

*Exporting Carrier:* Name and flag of vessel

*Loading Pier:* 56

*Port of Export:* New York, NY

*Port of Unloading:* Rotterdam, Netherlands

*Containerized:* Yes

*Country of Ultimate*

*Destination:* France

#### **Case 2.**

Merchandise is transported by truck to airport in Atlanta, GA, and is flown to Miami, FL, where it is transferred to another plane for shipment to Uruguay via Rio de Janeiro.

*Mode of Transport:* Air

*Exporting Carrier:* Airline that carries the goods from Miami to Rio de Janeiro

*Loading Pier:* Not Applicable (NA)

*Port of Export:* Miami, FL

*Port of Unloading:* Rio de Janeiro, Brazil

*Containerized:* NA

*Country of Ultimate*

*Destination:* Uruguay

#### **Case 3.**

A container of merchandise is sent by truck to a rail depot in Chicago, IL, and transported to Vancouver, Canada, for loading onto a vessel for shipment to Singapore via Hong Kong. The shipment crosses the U.S.-Canadian border at Blaine, WA.

*Mode of Transport:* Rail

*Exporting Carrier:* Railroad carrying goods across U.S.-Canadian border at Blaine, WA

*Loading Pier:* NA

Port of Export: Blaine, WA  
Port of Unloading: NA  
Containerized: NA  
Country of Ultimate  
Destination: Singapore

**21. Why were several new items (carrier ID, shipment reference, entry, HAZMAT indicator, in bond code, routed export transaction indicator, vehicle title, phone, and e-mail address) added to the Form 7525-V?**

These items were added to the paper SED to conform with the electronic record in AES.

## **Commodity Information**

**1. How much detail is required in the description of commodities? [30.7(l)]**

The description should contain enough information to permit verification of the Schedule B number and allow Customs to determine whether any required licenses have been obtained.

**2. My shipment consists of various commodities, all in the same Schedule B number. Must I describe each and every item?**

No. A general description such as "steel nuts" without further breakdown by size is acceptable, since all steel nuts are included in the same Schedule B number.

**3. Is it necessary to report my part numbers?**

No. You may include them as part of the description, but they should not be used in lieu of words, nor should they be positioned where someone could mistake them for a Schedule B number.

**4. What is meant by "marks, nos., and kinds of packages"? [30.7(j) & (k)]**

These are any identifying marks or numbers appearing on the outside of the packages that would enable a Customs official to match the merchandise with the SED. Also, include the number and kind of packages, such as 3 boxes, 1 crate, 2 containers, etc. This item is a supplemental data element in AES. It is reported only on request from the government.

**5. What does D/F/M mean? [30.7(p)]**

D=Domestic merchandise

F=Foreign merchandise

M=Foreign military sale

**6. What is considered as domestic merchandise?**

Domestic merchandise are goods that are the growth, produce, or manufacture of the United States and those goods of foreign origin that have been changed from the form in which imported by further manufacture or processing in the United States.

**7. What is considered as foreign merchandise?**

Foreign merchandise are goods that formally entered the United States, including bonded warehouses and foreign trade zones, that are being exported without change in condition by further manufacture in the United States.

**8. What percentage of the value must be added to change an item from domestic to foreign?**

There is no set percentage requirement related to value added. The general rule is that if the exported product is substantially different from the imported product, then the export can be called domestic. This rule is for U.S. statistical purposes only and is not binding on the Customs officials in the foreign country.

**9. How should I report a Foreign Military Sale? [30.7p(5)]**

If the merchandise is being delivered to a foreign government for foreign military use, an "M" indicator code should be included in item (16) on Form 7525-V; for AES, "FS" should be included in the Commodity Item Description field (CL1).

## **Schedule B Number: [30.7(I)]**

### **1. What is the Schedule B number?**

Schedule B is the Statistical Classification of Domestic and Foreign Commodities Exported from the United States. The Schedule B contains approximately 8,000 individual 10-digit commodity numbers covering everything from live animals and food products to computers and airplanes, including a distinction between civilian and military airplanes. Every item being exported falls under a particular Schedule B number.

### **2. How do I get my Schedule B number?**

If you are exporting a wide variety of products, you should search the Foreign Trade Division Web site at:

[www.census.gov/foreign.trade/www/](http://www.census.gov/foreign.trade/www/)

or purchase the Schedule B from:

(Hard copy): U.S. Government Printing Office (GPO)  
Washington, DC 20040  
phone: 202-512-1800

CD ROM: U.S. Census Bureau Washington, DC 20233  
phone: 301-457-2227

For specific commodity questions, you may call the U.S. Census Bureau at phone: 301-457-3047.

### **3. My shipment consists of several items within the same Schedule B number. Should I report each item separately?**

No. Report each Schedule B number only once on an SED, unless specifically required by a validated export license. AES allows the exporter (U.S. principal party in interest) to optionally report invoice-level detail, including reporting of the Schedule B number, multiple times within a shipment.

### **4. My shipment covers several invoices (all to the same customer). Should I report separately for each invoice?**

No. Combine all items in the shipment from the same U.S. principal party in interest to the same ultimate consignee that fall under the same Schedule B numbers, and report those numbers only once. AES allows the U.S. principal party in interest to optionally report invoice level detail, including reporting of the Schedule B number multiple times within a shipment.

### **5. What about the Schedule B number for repaired articles?**

Report Schedule B number 9801.10.0000 for the export of any article that was imported for repairs or alterations. This number should not be used if a replacement part is being exported.

### **6. I am exporting replacement parts. Is this considered a repair?**

No. Report the 10-digit Schedule B number in Chapters 01 through 97 for replacement parts.

### **7. Are there any cases in which a Schedule B number is not required?**

Yes. Household effects being shipped as cargo, while requiring an SED, need not be reported by individual Schedule B number unless in the rare instances when a validated license is required. Just enter "household effects" as the description.

### **8. My company also imports. Do we need to maintain separate commodity numbers for imports and exports?**

No. You may use the import statistical reporting number found in the Harmonized Tariff Schedules of the United States Annotated (HTS) to report your exports. You may not report Schedule B numbers on import documentation.

## 9. What is the Harmonized System (HS)?

The HS is an international system used by the United States and most of its trading partners as the basis for reporting statistics as well as the collection of import duties. The first six digits of both Schedule B and the HTS are the HS number.

## 10. What is the tariff classification as required on my Exporters' Certificate of Origin under NAFTA?

It includes the first six digits of either the Schedule B or HTS number.

## Quantity and Shipping Weight

### 1. What is meant by the Schedule B unit(s) of quantity? [30.7(n)]

To get a complete picture of the trade, a quantitative measure is collected for most of the commodities exported. The Schedule B contains the unit of measure required on the SED for each number. In most cases, the unit is the same as that used by the industry. Airplanes, vehicles, and most machines require the number being exported, while liquid commodities are generally reported in liters. For most products, the kilogram (kg) is the required weight unit.

### 2. My Schedule B number requires kilogram. Do I include the packing?

Report the net weight, exclusive of the weight of barrels, boxes, or other bulky packaging.

### 3. How do I report the quantity?

Report whole units, specifying the unit of measure reported, such as "10 kg" "5 No.," etc. Do not report fractions of units. Fractions over one-half should be rounded upward and less than one-half ignored, unless the entire quantity is less than one-half the required unit. In this case, report "Less than one-half (unit)." For AES purposes, report one unit even if the entire quantity is less than one-half a unit.

### 4. My Schedule B number shows two quantities. How do I report?

If the Schedule B specifies two units of quantity, as is the case for most textile products, the first unit listed in Schedule B should be reported on the same line with the Schedule B number and the value. Report the second unit directly below the first.

### 5. My Schedule B shows an "X" in the quantity column. What does this mean?

If an "X" appears in the unit of quantity column in Schedule B, then no quantity need be reported.

### 6. My validated license requires a different quantity than the Schedule B number. What do I report?

If a validated export license requires reporting of a quantity different from the Schedule B, include that quantity along with the Schedule B quantity, each identified by the unit. If the Schedule B does not require a quantity, report only the quantity required by the license.

### 7. What is the shipping (gross) weight? How does it differ from the Schedule B quantity if that quantity is also kilograms? [30.7(o)]

The shipping weight, in kilograms, includes the weight of the commodity as well as the weight of normal packaging, such as boxes, crates, barrels, etc. It excludes the weight of substantial outer containers, such as lift vans, cargo vans, etc. The net quantity excludes the weight of all packing.

### 8. Can I report one shipping weight for my entire shipment?

No. A separate shipping weight is required for each Schedule B number. If commodities covering more than one Schedule B number are packaged together and individual shipping weights are not known, estimate the weight for each item. The total of such estimates should equal the actual gross weight of the shipment.

## Value [30.7(q)]

### 1. What value is required?

The value is defined as the selling price by the U.S. principal party in interest to the foreign buyer or cost if not sold, plus the cost of inland freight, insurance, and other charges incurred in moving the goods from their U.S. point of origin to alongside the exporting carrier at the U.S. port of exportation.

**2. How do I report the value?**

A separate value is required for each Schedule B number reported in whole dollars (U.S.), with fractions of less than 50 cents ignored, and fractions of 50 cents or more rounded upward to the next dollar. **DO NOT REPORT FOREIGN CURRENCY!**

**3. My shipment covers many items within the same Schedule B number. Do I have to report the value for each item?**

No. Report only one value for each Schedule B number.

**4. My shipment covers several invoices (all to the same customer). Do I report a value for each invoice?**

No. Report only one value for each Schedule B number.

**5. I export several commodities under different Schedule B numbers. Do I have to report the total value of the shipment?**

No. You do not have to report the total value on the SED. You must report the value per Schedule B number. If you must show a total because the SED is being prepared as part of a set of documents that require a total, please report it separately and label it as "grand total" or "total" on the SED.

**6. I sell my goods at a delivered cost of insurance and freight (c.i.f.) priced at the ultimate destination. What should I report on the SED?**

Subtract all charges, including loading costs, beyond the U.S. port of export to obtain the required value. You do not have to show the subtracted charges on the SED.

**7. I sell my goods free on board (f.o.b.) priced at my plant. What should I report?**

Determine (or estimate) the cost of moving the goods to the port of export, and add this to your selling price.

**8. How do I report commissions paid to my agent in a foreign country?**

Commissions paid to foreign agents should be excluded from the value on the SED.

**9. My invoice value includes charges and commissions excluded from the SED value. Is this proper?**

Yes. It is a good idea to include a statement on either the SED, the invoice, or both that the "invoice value includes charges and/or commissions excluded from the SED."

**10. What do I do about discounts?**

Report net selling price, exclusive of any unconditional discounts. Discounts conditioned on the act or performance by the customer, such as discounts for cash or payment in 30 days, are not to be deducted from the selling price.

**11. Do I have to show the charges separate from the selling price?**

Include or exclude charges, commissions, and discounts as appropriate, but do not report them separately.

**12. My goods are shipped on consignment. What is the selling price?**

The selling price is the market value at the time of export.

**13. We are shipping to a related company without a sale. What is the "selling price?"**

The selling price is the cost of production.

**14. I am returning goods that I repaired. What value is required?**

The value of the repairs, including parts and labor. You do not have to report the value of the original product.

**15. What should I do in the case of goods that were repaired under warranty at no charge to the customer?**

Report what it cost you to repair the item. If you do not want your invoice to reflect the repair costs, then include a statement on the SED that “this product was repaired under warranty.”

**16. I am exporting a replacement part under warranty. What value is required?**

Record the value of the replacement part only. If the value on the SED is different from the value on the bill of lading, invoice, etc., include this statement in the description area on the SED. “Product replaced under warranty, value for SED purposes.”

**17. I imported some goods and, through manufacturing, transformed them into a different product. What value is required?**

The total value of the exported product, including the value of the imported product plus all processing costs.

**18. Is there any special way I should report the Schedule B number, quantity, and value on the Form 7525-V?**

Yes. Each data line, consisting of D/F/M, Schedule B number, quantity, shipping weight, and value, should appear on a single horizontal line across the SED below the description. Please take care that the information is clearly legible, containing no strikeover (Liquid paper is acceptable.), and is not printed over the column lines on the form.

**19. Where can I get information relating to validated license number, general license symbol, and Export Control Classification Number (ECCN)? [30.7(m)]**

This information is available from:  
Bureau of Export Administration  
U.S. Department of Commerce  
Washington, DC 20230  
phone: 202-482-4811

**20. There are two places for a signature on the SED. Which do I sign?**

If you are authorizing a freight forwarder to act on your behalf for this (and only this) shipment, sign where the SED states “The U.S. principal party in interest authorizes the forwarder...” The forwarder should sign where the SED states, “I certify...” If the forwarder has a formal power of attorney, only the forwarder need sign the form in the certification block.

**21. I am not using a freight forwarder. Where do I sign?**

Sign the “I certify...” block only.

**22. What goes in the authentication block?**

This space is reserved for Customs use.

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- Nonvalid or missing Schedule B Number and/or no description of commodity.
- No value reported or one value reported for multiple Schedule B numbers.
- Country of destination incorrect—entering the port or airport name instead of the country name.
- Whole document illegible—most are fax copies, followed by handwritten and carbon copies.
- Value of repair and warranty repair items reported incorrectly—report the value of the repair only (parts and labor) for both repair and warranty repair items using Schedule B number 9801.10.0000. Note: Harmonized Tariff Codes are not allowed for Chapters 98 and 99.